



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## **Van Hollen: GOP Always Talks a Big Game on Defense But Don't Want to Pay for It**

*"Their priority is protecting tax breaks for people like Mitt Romney"*

**Washington, DC** – Today Maryland Congressman Chris Van Hollen, Ranking Member of the House Budget Committee, appeared on MSNBC's Daily Rundown to discuss middle class tax relief and the pending cuts from the Budget Control Act sequester. Video of the interview is available [here](#) and the transcript is below.

**MSNBC'S LUKE RUSSERT:** With me now, Maryland Congressman Chris Van Hollen, who is the top Democrat on the House Budget Committee. Mr. Van Hollen, thanks so much for joining us.

**CONGRESSMAN CHRIS VAN HOLLEN:** It's good to be with you, Luke.

**RUSSERT:** The Washington Post, in a front page article this morning, said, "Economists say the automatic actions slated to take place at the end of the year – an increase in payroll taxes and in income tax rates, as well as large cuts in domestic and defense spending – would tip the country back into recession."

Patty Murray obviously has laid out this strategy for the Democrats, that you are not going to move at all unless there is revenue on the table. Where do we go from here, and are you guys pulling a play out of what the GOP did with the debt limit last summer?

**VAN HOLLEN:** No, Luke. What Patty Murray and what the President have said is that we should move immediately – we, meaning the Congress – to extend all the middle class tax relief, tax relief for 98 percent of the American people. In fact, it actually provides tax relief to 100 percent of the American people because even folks at the very high end benefit from some of the tax relief that would be provided.

But we also believe that we need to begin to get our deficits under control over time, and that going back to the same kind of rates that were in place during the Clinton Administration – when the economy was booming – makes sense from a fiscal discipline perspective, as well as getting the economy moving again as we go forward.

What we really should be doing, in addition to that, is taking up the President's jobs bill, which has been sitting in the House of Representatives since last September.

**RUSSERT:** Let's talk about this sequestration in regards to the DOD. Obviously, that's the talk of Capitol Hill this week. There have been a lot of studies out from trade groups related to defense contracting that say if these cuts go forward, you could see about a million jobs lost. You know as well as I do that it would affect jobs in Maryland, it would affect jobs in swing states like Virginia, Florida, Ohio. Are you worried that the threat of possible layoffs in swing states will force your party to compromise early on this to avoid the President losing those states?

**VAN HOLLEN:** Well Luke, once again, we've actually already put on the table a proposal to prevent the sequester. The President's budget, if we enacted it, would prevent the sequester. In the House, the Democrats presented a plan both to prevent the sequester over ten years, as well as one year. When I say prevent, we came up with an alternative way of getting that deficit reduction.

The bottom line is this: Republicans keep talking about the defense cuts. But they're unwilling to cut special interest tax breaks – like oil and gas subsidies – in order to help pay for defense. They always talk a big game on defense – they just don't want to pay for it. I mean, after all, they put two wars on our national credit card.

So we've put forward a plan that will prevent the cuts to both defense and non-defense, which are also very devastating cuts to education and other areas. We did it by eliminating a lot of tax breaks, by making cuts to agricultural subsidies and other things. So, the Republicans have the key to the lock here in their own hands – just like they do on the tax issue. I mean, the reason we can't move forward on taxes is because they're holding tax relief for 98 percent of the American people hostage to getting breaks to the folks at the very top, and that's just not going to work.

**RUSSERT:** How do you foresee this playing out? Obviously, Congress seems to do something every single time at the last minute. Is it more likely than not that there will be some sort of compromise to punt this into early spring?

**VAN HOLLEN:** Well, two things. A lot of us would like to see this get done now. That's why the President asked the Congress to extend middle class tax relief immediately. They're going to try to do that in the Senate. Senate Republicans have blocked that proposal and said they're going to block that proposal.

So we can get it done now – if our Republican colleagues are willing to take the compromise approach that is set forth in the frameworks of bipartisan commissions. Meaning you make some cuts – which, by the way, we already did a trillion dollars in cuts as part of the Budget Control Act. But also, you have got to cut some of these special interest tax loopholes. And Republicans are so wedded to this pledge they signed – not to the American people, but to Grover Norquist – that says they will fight one penny of elimination of tax breaks for the folks at the very top, even if that money goes to deficit reduction or protecting defense spending. Their

priority is protecting those tax breaks for people like Mitt Romney, frankly, and hedge funds, and other folks.

**RUSSET:** Chris Van Hollen, thank you so much for joining us. We appreciate it.

**VAN HOLLEN:** Thank you, thanks Luke.